SCOTT M. MATHESON
Governor

GORDON E. HARMSTON

Executive Director,

NATURAL RESOURCES

CLEON B. FEIGHT

Director



STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

June 26, 1978

Tile in Enery County-DELTAMINE

OIL, GAS, AND MINING BOARD

I. DANIEL STEWART

Chairman

CHARLES R. HENDERSON JOHN L. BELL THADIS W. BOX C. RAY JUVELIN

ACT-815-020

Mr. Maxwell Bentley
Central Oil & Mining Corporation
Kearns Building
SLC, UT.

Dear Mr. Bentley:

In response to your letter of June 21, 1978, I would like to direct you to sections 40-8-13 (1) and 40-8-4 (5) (6) (16) of the Utah Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953.

Section 40-8-13 (1) states, "Before any operator shall commence mining operations, or continue mining operations pursuant to Section 40-8-23, the operator shall file with the Division a separate notice of intention for each individual mining operation". This notice of intention must include a reclamation plan and furnish evidence that the operator is financially responsible for damage or liability claims. Section 40-8-4 (b) defines a "mining operation" as an operation where more than 500 tons of material are mined in a period of twelve months AND over two acres of land are excavated or used as a disposal site in a period of twelve consecutive months. Because of this definition, the Division has allowed the initiation of mining before final approval is issued and surety collected as long as the operation stays within the prescribed limits.

The Division received the Notice of Intention to Commence Mining Operations (Form MR-1) on February 1, 1978. Mr. Frandsen informed me today through a telecon that mining had not commenced before that date. It is doubtful that Utah West Mining and Development has disturbed more than two acres of land since then. At this time, the proper maps and reclamation plan have been submitted and a cash bond received. This, in the opinion of the Division, has shown the diligence on the part of the operator.

Under the definitions of the Act, Sections 40-8-4 (5) (16), Utah West Mining and Development is the "operator" of the Delta Mine and Central Oil & Mining is the "owner". Under the Act, the operator is responsible for reclamation and if the operator fails or refuses to carry out the necessary land reclamation as outlined in the approved notice of intention, the Board may, after notice and

Mr. Maxwell Bentley June 26, 1978 Page Two

hearing, declare the \$7,440.83 surety forfeited. Utah West Mining and Development will be held responsible for reclamation, and since they are not an agent of Central Oil & Mining Corporation, your company will not be held accountable.

A copy of the public notice and tentative approval letter will be forwarded to you.

K. Michael Chompson

K. MICHAEL THOMPSON

RECLAMATION HYDROLOGIST